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September 3, 1993

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Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: Ex Parte Statement, CC Docket No. 92-77, Phase II, Billed Party Preference

Dear Mr. Caton:

Ameritech is concerned with the possibility that the Commission may require that billed party preference be made available with service features that were not part of the initial design, and for which the record data does not provide support -- in particular, 14 digit screening. There were numerous assumptions that were used to prepare the various filings that form the record on which the Commission will be basing its decision. Recent questions from the Commission's staff have raised concerns that billed party preference will be required to be implemented in a form that is vastly different from the plan envisioned by many parties, including Ameritech, in preparing their comments and cost estimates.

The incorporation of 14 digit screening as part of billed party preference would reduce the flexibility of calling card customers to use a single PIN number to reach multiple interexchange carriers and add to the complexity of billed party preference with resultant customer confusion. Ameritech would not support adoption with this requirement.

The attached paper details the effect that 14 digit screening would have on the development, deployment, ongoing operations, and administration of billed party preference.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael S. Pabian".

MSP/sk
attachment
cc: Mr. Mark Nadel

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BILLED PARTY PREFERENCE AND 14 DIGIT SCREENING

INTRODUCTION

The term "14 digit screening" is used to describe the process necessary to validate a line number based calling card that has multiple, carrier-specific Personal Identification Numbers (PINs) associated with it. The use of 14 digit screening, under Billed Party Preference (BPP), would require examination of all 14 digits of the card number, rather than examining only the 10 digit telephone account number, to determine the preferred carrier for interLATA calls billed to calling cards in a line number format. This is in contrast to routing all alternatively billed calls associated with a telephone number to a single interexchange carrier (IXC) as currently reflected in the BPP service design.

The effects and associated costs of 14 digit screening are significant in several areas:

- Reduced ability for end user choice of alternative carriers
- Call processing, carrier identification and validation functions
- Ordering and associated information flows
- Fraud controls and data base integrity
- Trouble reporting and other customer service areas

In virtually all of these preceding areas, 14 digit screening would result in problems for end users. In many cases, they will be unable to complete calls and then experience lengthy and complex operator contacts to try to resolve the problem. The alleged need for 14 digit screening capability has been attributed to the desire of IXCs to issue their own line number based cards. However, no end user need has been identified suggesting cardholders want multiple PINs to designate different carriers when placing calls using a line number based card, which is the purported benefit of 14 digit screening. In fact, end users have expressed a preference to use a single card and carrier for all of their telecommunications needs. Fourteen digit screening adds complexity and confusion for end users, in addition to increasing the deployment and ongoing costs of BPP.

The vast majority of calling card customers would only have a single card and PIN. Under current arrangements the single card and PIN can be used to access any IXC -- i.e., any IXC can validate the LEC-issued line number based card. Under BPP with 10 digit screening, the customer can use 10XXX dialing to reach an alternative to their Primary Preferred Carrier (PPC) or Alternate Preferred Carrier (APC). There may be situations such as natural disasters, network failure, or lack of geographic coverage where the PPC and APC would not be available. However, with 14 digit screening, the customer would be incapable of using an IXC other than the ones to which the PIN is dedicated. For customers with a single card and PIN, this may result in the complete inability to

place a call. Billed party preference should not be this user unfriendly.

It should be noted that the means for multiple carriers to use cards in a line number based format can be provided in ways other than development of 14 digit screening. Ameritech is on record with the U.S. District Court as being willing to issue a shared line number based card with any interested IXC. With a shared number format, Ameritech would administer and store shared calling card data in the Ameritech LIDB for IXCs wishing to issue cards in line number format. IXC line number format cards must be stored in the LIDB where other, similar billing information resides. Absent such storage arrangements, it is impossible to route a carrier identification or validation query to the appropriate database.

What follows is a description of the impact of 14 digit screening on BPP development, deployment, and ongoing operations and administration. Ameritech has prepared this material to illustrate how 14 digit screening might be implemented. Fourteen digit screening will add to the costs and complexity of BPP in sufficient magnitude as to eliminate BPP's viability. If, in the Commission's view, 14 digit screening is a required element of BPP, Ameritech can no longer support the service as being in the consumers' interest.

SERVICE OVERVIEW

As Ameritech and many others have defined it to date, BPP would apply to all interLATA 0+ and 0- calls. For BPP service, each subscriber record would be populated with a Dial 0 PPC selected by the end user. An APC will also be defined for each line, and is expected to be designated by the PPC. This APC will be used if, for any reason, the PPC is unavailable. An International Preferred Carrier (IPC) for Dial 0 international calls is also assignable, and would be the same as the PPC unless the PPC or the billed party requested otherwise. Hence, with BPP, the subscriber's service record is expected to reflect three new IXC fields: a Primary, Alternate and International designation. These fields are in addition to the 1+ PIC entry currently reflected on the customer's service record.

CALL PROCESSING, CARRIER IDENTIFICATION AND VALIDATION FUNCTIONS

Currently, in today's "non BPP" environment, a calling card customer has the flexibility, when placing 0+ and 0- interLATA calls, to choose any IXC with a presence in the LATA of call origination, which has subscribed to Feature Group D or Feature Group B access. BPP enhances that ability by allowing the customer to be automatically routed to the carrier of his/her choice without the use of an access code. Introduction of fourteen digit screening significantly increases customer service, database, billing, and

network complexities without commensurate benefit to the customer.

Examination of several BPP calling scenarios under a 14 digit screening environment may be illustrative of the situations end users are likely to encounter. In these examples, consideration should be given to whether 14 digit screening is facilitating or thwarting consumer choice. Detail on call flows for these scenarios is provided in Attachment A. These examples are not intended to be all-inclusive.

ORDERING AND ASSOCIATED INFORMATION FLOWS

In virtually all areas of ordering and administration, 14 digit screening increases customer contact time and complexity, and increases order issuance time to obtain and enter the additional, correct information on the customer service record.

For establishing new service under BPP, LEC service representative procedures, Service Order systems and Customer Record systems must be modified to confirm the customer's choice of preferred carrier for Dial 0, store that choice, and forward it to LIDB. Notification and information about the customer will also be forwarded to the customer's selected Dial 0 carrier, as is done for Dial 1 choices today. Just as in the Dial 1 process, procedures will need to be implemented allowing IXCs the option of submitting carrier selections to the LEC on their customer's behalf.

Fourteen digit screening adds several layers of complexity to the ordering and administration processes. To evaluate the impacts, consideration must be given to how requests for new service, changes to existing service and disconnect activity must be managed. Charges may be applicable to IXCs for provision of some of the information flows identified following. (NOTE: As mentioned previously, to launch a carrier identification or validation query to the appropriate LIDB requires all relevant data associated with a given NPA-NXX to be stored in a single LIDB. In addition, ordering procedures, Service Order systems and Customer Record systems would each have to be modified to accommodate 14 digit screening.)

NEW SERVICE

New service requests include customers establishing service for the first time with Ameritech, as well as moves within Ameritech territory. For those subscriber's establishing initial service, the procedures identified for customer handling under BPP would not require revision relative to 14 digit screening, regardless of the subscriber's request for a calling card. Hence, the service representative would request the subscriber's 1+ and "0" carrier selection for interLATA calling at the time service was initially established. If the subscriber requested a calling card, Ameritech would issue a card and update the LIDB with the PIN, and its

associated "0" carrier.

While the Ameritech service representative would not need to prompt the subscriber for designation of a different carrier selection for their calling card calls vs. other "0" dialed calls, systems and service representative training would have to be equipped to handle the possibility of such a request should 14 digit screening be required.

If the subscriber moves within Ameritech territory and previously had service with multiple calling cards with multiple IXC designations (i.e., 14 digit screening), Ameritech would need to confirm with the subscriber that they wished to continue all of their cards on their new account. This discussion with the subscriber could become lengthy if the subscriber needed to clarify information on what cards were issued against their account, with which IXCs, carrying what PINs.

CHANGE IN EXISTING SERVICE

A customer change request takes a variety of forms. In a BPP environment without 14 digit screening, change requests could include requests to change a PPC or an IPC and requests to order a calling card, or cancel or change the PIN on their calling card.

With 14 digit screening, the types of change requests a service representative would be expected to handle, and the length and complexity of the customer contact, would increase significantly. For example, assume a subscriber had selected IXC "A" as their 1+ PIC and Dial 0 PPC. Further assume the customer has a calling card associated with IXC "B". The subscriber calls Ameritech to request a change to IXC "C". The service representative would need to question the customer to determine which of their services (1+, "0", or calling card PIN) they wished IXC "C" to handle. If the subscriber request included a change to IXC "C" for their calling card, the service representative must then clarify whether the subscriber wished to cancel their previously established card, or add a new PIN designated to IXC "C". Subsequent to order issuance, all IXCs would be notified of the change activity by which they were affected.

Given the increased potential for multiple IXC cards to be issued against a subscriber's account, with or without the customer's agreement, or as a result of cards not having been removed from service when appropriate, these discussions can be expected to be frustrating to the end user.

IXC ORDERS

For BPP without 14 digit screening, the IXC to LEC Ordering Interface for end user orders must be changed to allow an IXC to initiate an order of the following types:

- IXC selected as PPC for account or line number
- IXC selected as 1+ PIC and PPC for account and line number

For BPP with 14 digit screening, the IXC to LEC Ordering Interface must be able to accommodate the following additional requests for changes:

- End user request for IXC card
- End user request for IXC card with user specified PIN
- Request for IXC card cancellation

It is not clear how an end user request to change their IXC issued card service from IXC "A" to IXC "B" without changing their PIN would be accommodated in a 14 digit screening environment. If IXC "B" were to initiate an IXC card order with a user designated PIN to the LEC, and the PIN was currently in use in association with another IXC's service, the request could either be a change or a conflict. It is not clear what degree of involvement Ameritech might have in facilitating such requests. Such disparities in card ordering and administration may lead to IXC "slamming", either accidentally or intentionally.

FRAUD AND DATA BASE INTEGRITY

With 14 digit screening, a number of unique issues regarding fraud detection and deterrence emerge. Principle among those issues is the manner by which a high usage threshold for calling cards to identify potential fraudulent usage is established. In today's environment - or in a BPP environment without 14 digit screening - calling card usage is monitored against a high usage threshold associated with the 10 digit calling card number. In addition, an automatic deactivation threshold is also in place, again monitoring the 10 digit calling card number, which - if met or exceeded - results in all PINs associated with the card being deactivated.

Introduction of IXC specific PINs creates an expectation of IXC specific thresholds and deactivation routines. These routines or processes may include development of IXC interfaces which would give IXC's real-time information on card usage against their PIN, as well as providing the IXC the means of deactivating their IXC specific PIN in real-time. In addition, it becomes unclear when Ameritech should act to deactivate all cards associated with a specific line number vs. removing only an IXC specific PIN at that IXC's request. Whether IXC's would wish Ameritech to act to deactivate one of their PINs without the IXC's or the card holder's prior authorization becomes an issue. In any case, deactivation activity must be reflected on the end user customer record for use during audit routines. Other impacts on real-time changes such as reports of lost or stolen cards and other emergency updates are anticipated.

There are other detection devices currently being put in place by Ameritech; how 14 digit screening will affect these processes involves considerable conjecture. At a minimum, however, with the

introduction of multiple IXC specific PINs to LIDB, requests for IXC specific detection and deterrence capabilities can be anticipated. Ameritech's expectation is 14 digit screening will result in increased requests for IXC customization, heightened concerns about data security if real-time access is developed, and increased Ameritech force requirements for deterrence and detection.

Of further concern in a 14 digit screening environment is the greatly increased potential for "dead" cards to remain in file, when cardholder's request a "new" card from an IXC. The IXC will not know whether the end user already has a line number based card from another IXC; hence, the cardholder's desire for an additional card, or their wishes to change IXCs, may be unclear. In instances where the IXC believes the customer wants a new card, a new PIN will be assigned and the old PIN left in service. Without a sophisticated and comprehensive mechanism for removing inactive PINs, the integrity of information in the LIDB is jeopardized, and the risk of fraud associated with those inactive PINs increases. It is not clear how, or by whom, such a mechanism for removing inactive PINs would be constructed.

TROUBLE REPORTING AND OTHER CUSTOMER SERVICE IMPACTS

With an increased number of variables involved with 14 digit screening, the potential for error rises dramatically. Further, the process for investigation and isolation of trouble reports or customer service complaints increases. The customer may not be aware of all information pertinent to resolving why their card wouldn't "work" and hence can be expected to find the contact confusing. For example, with multiple PINs and multiple IXCs, a complaint from a cardholder that they were unable to complete a call would require the identification of:

- Which PIN or IXC were they using?
- Did they dial an access code?
- From where were they calling/to where were they calling (e.g. was the alternate or the international IXC being used?)

In some instances, the cause of the trouble condition may be unable to be determined. If the card holder was using an IXC specific PIN, Ameritech would only be able to identify the PIN's activity status in LIDB. Presuming the PIN was active, the cardholder would need to be referred to the IXC card issuer for assistance. If there was no PIN, or if the PIN had been deactivated, further analysis of previous activity on the account would need to be undertaken to resolve why the PIN was not active (e.g., non-payment) prior to restoral of service.

OTHER ISSUES AND CONCERNS

Aside from trouble reports, problems with cardholders forgetting

their PIN and with being billed by an IXC other than the one they expected will be exacerbated.

Further, the customer's ability to override their PPC/APC (in a BPP environment) would be eliminated, rendering their calling card useless in situations where their pre-selected carrier(s) were unavailable.

Attachment A

14 DIGIT SCREENING CALL FLOW SCENARIOS

NOTE: "LIDB", as used in the following examples, is intended in a generic sense to refer to any validation database.

Normal condition; carrier specific PINs: The calling customer dials 0+ 10 (InterLATA) digits. The serving LEC OSS recognizes the request for operator services, and prompts the caller for billing information. The information is obtained, and the OSS assembles and launches a LIDB query into the SS7 network. The destination LIDB examines the query, and (presuming validity) returns a response indicating "valid" and "preferred carrier" to the LEC OSS. The call is then routed to the selected carrier's network for completion.

Normal condition; carrier specific PINs; use of Feature Group "D" access code: The calling customer dials a 10XXX+0+10 digit InterLATA call. The IXC OSS recognizes the request for operator services and prompts the calling customer for billing information. Once the information is obtained, the OSS assembles and launches a LIDB query into the SS7 network. The destination LIDB examines the query, and must examine the SS7 point code of the originating IXC OSS. If the carrier associated with the PIN entered by the customer is not the same as the IXC launching the query (as derived from the originating point code of the OSS), the call will be denied regardless of the PIN's validity.

To accomplish this level of screening, LIDB must be developed to match the IXC associated with the originating OSS to the IXC designation of the PIN in the query (and selected by the customer). If neither the PPC nor the APC associated with the PIN offered by the customer are available (e.g. no presence in the originating LATA, catastrophic network failures, etc.), the call will be denied. It will be incumbent upon the calling customer to determine the reason for PIN failure. It is likely the customer will not be sufficiently aware of calling card routing and validation nuances, and will ultimately dial "Operator" - resulting in call delivery to the LEC Operator - for resolution. The LEC operator will be unable to determine the reason for failure, and will only be able to attempt subsequent validation. If that validation request results in a "valid" response from LIDB, the call will be routed to the carrier associated with the PIN provided to the LEC Operator - regardless of the calling customer's initial carrier choice as indicated by 10XXX dialing.

Normal condition; carrier specific pins; IXC operator services provided by a contract operator service provider; use of Feature Group D access code:

The calling customer dials 10XXX+0+ InterLATA 10 digit number. The call is directed to the OSS contracted to handle operator calls for that IXC. The OSS recognizes the request for operator services, and prompts the calling customer for billing information. Once that

information is obtained, the OSS assembles and launches a LIDB query into the SS7 network. The destination LIDB examines the SS7 point code of the originating OSS, maps the point code to a set of IXCs which contract with that operator services provider, and examines its database for carrier match (OSS against customer provided PIN) and validity.

If the customer's record indicates IXC "A" for the PIN offered, and IXC "A" is in the set of allowable IXC's associated with the querying OSS, the call will be allowed. However, the originating OSS must be able to determine and route to the IXC designation returned in the query. Further, the originating OSS must compare the 10XXX code dialed by the customer with the IXC returned in the validation response to assure the customer's preferred PIN IXC carries the call. Absent such ability, the call will be completed without regard to the carrier associated with the PIN provided by the customer.

It is not possible for LIDB to determine the validity of the query - based upon preferred carrier information and the originating point code of the OSS - when the query is sent from an OSS that processes calls for multiple IXCs, unless the originating OSS is capable of sending a unique SS7 point code in the query for each of the IXC's served. However, it will be impossible for the OSS to determine which point code should be forwarded to LIDB before the LIDB query is sent. Absent this ability, it will be necessary for the originating OSS to make the "carrier match" determination (between the carrier access code dialed and the PIN's preferred carrier) based upon the carrier ID information returned in the LIDB response. Providing such unscreened carrier ID information to the operator service provider has significant market and confidentiality implications.

Abnormal condition: carrier specific PINs: The calling customer dials 0+ 10 InterLATA digits. The serving LEC OSS recognizes the request for operator services and prompts the caller for billing information. Once the information is obtained, the OSS assembles and launches a LIDB query into the SS7 network. The destination LIDB examines the query for carrier identification and validity. The LIDB returns a response to the originating OSS.

If neither the PPC nor the APC have a presence in the originating LATA, or if - for any other reason the preferred carriers cannot be reached - the call cannot be completed. The calling customer will not have the option to select another carrier to complete the call if they do not have multiple PIN and carrier designations.

Abnormal condition: carrier specific PINs: This scenario is the same as the previous one except the destination LIDB is unavailable due to local SS7 network problems, and preferred carrier information cannot be returned. The call is defaulted to either the 1+ PIC of the originating line, or to a carrier chosen by the customer when prompted by the LEC OSS.

Once delivered to the default IXC OSS - accompanied by signaling sufficient to indicate no validation or carrier ID has taken place - the IC OSS will launch a validation query to the destination LIDB. If the IXC querying LIDB is not the PPC or APC associated with the PIN provided by the customer, validation will fail. The customer will not be able to complete their call using the desired method of billing. It will be necessary for the customer to hang up and re-originate the call - using carrier access code dialing - to assure they are delivered to the appropriate carrier. However, it is extremely unlikely the customer will have 1) knowledge of the reason for failure, and 2) information sufficient to preface the subsequent call with the appropriate 10XXX code. The calling customer will very likely hang up and dial "0" for the LEC Operator, re-initiating the entire unsuccessful sequence once again.

Abnormal condition; carrier specific PINs: This scenario is the same as the previous two except the destination LIDB is unavailable due to database congestion or failure; preferred carrier information cannot be returned. The call is defaulted to either the 1+ PIC of the originating line, or to a carrier chosen by the customer as prompted by the LEC OSS.

Once delivered to the default IXC OSS - accompanied by signaling sufficient to indicate no validation or carrier ID has taken place - the IC OSS will launch a validation query to the destination LIDB. The query response will not be returned while the destination LIDB is unavailable. The IXC may ask the customer for another billing method, or may choose to process the calling card call without validation. If the calling card call is processed without validation, and if the IXC processing the call is not the PPC or APC selected by the customer, the LEC billing system will reject the message and the carrier will sustain loss for the call.